THE HONOURABLE SRI JUSTICE V.ESWARAIAH

WRIT PETITION No :2781 of 2006

DATED:20-02-2007

D.Amarender Reddy.

..... PETITIONER

AND

The Branch Manager,
A.P.State Financial Corporation,
Chirag Ali Lane,
Hyderabad & another.

.....RESPONDENTS

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ORDER:

Heard the learned counsel appearing for the petitioner as well as the learned Standing Counsel appearing for the respondents.

2. Petitioner seeks a writ of mandamus declaring the action of the respondents in seeking to sell the collateral property of 421 sq.yards in plot No.3 and 17 in Sy.No.43 situated at Peerjadiguda, Ghatkesar Mandal, Rangareddy District, as illegal and arbitrary.

3. It is stated that for the purchase of Borewell Rig Equipment, M/s Kiran Borewells, for which the petitioner herein is the Proprietor, was sanctioned a term loan of Rs.25.50 lakhs on 25-10-2000 by the 2nd respondent. Petitioner's wife has mortgaged her property by way of collateral security along with the properties of the petitioner for sanction of the said loan and out of the sanctioned amount the 2nd respondent released a sum of Rs.23,02,107/-. As per the terms and conditions of the loan sanction letter, the petitioner has to repay the same in 56 instalments commencing from 20-04-2000 together with interest on quarterly basis. First 55 instalments have to be paid @ Rs.46,000/- and the last instalment in a sum of Rs.20,000/-. It is stated that the outstanding dues payable by the petitioner as on 20-12-2005 was Rs.18,52,324/- i.e., Rs.14,72,561/- towards principal; Rs.3,79,613/- towards interest; and Rs.150/- towards other expenses. As the petitioner sustained some loss on the borewell he wanted to

settle the loan account in 'One Time Settlement' by remitting a sum of Rs.2,00,000/- by way of down payment on 13-12-2005 and 30-12-2006. It is further stated that as the loan amount was not paid the corporation released an advertisement offering sale of the collateral security properties on 07-10-2005 inviting offers till 01-01-2006, but however nobody submitted any offers.

4. It is admitted in the counter that to send the proposal for closure of the loan account in 'One Time Settlement' the petitioner required to pay a sum of Rs.1,68,000/- along with service charges of Rs.3306/-. Out of the said amount the petitioner paid a sum of Rs.1,00,000/- on 13-12-2005 and issued a cheque for Rs.1,00,000/-. As the said cheque was dishonoured he paid a sum of Rs.1,00,000/- towards the dishonoured cheque on
30-01-2006. Thus, the petitioner paid Rs.2,00,000/- and therefore, the balance amount that is required to be paid by the petitioner is Rs.1,68,000/- along with the service charges of Rs.3306/-. Thus the petitioner has to pay the total sum of Rs.1,71,306/-. It is stated that as the said balance amount was not paid the proposal for 'One Time Settlement' was not sent.

5. Having regard to the facts and circumstances, the Writ Petition is disposed of directing the petitioner to make fresh application depositing the balance amount of Rs.1,71,306/-
(rupees one lakh seventy one thousand three hundred and six only) within three weeks from today and on receipt of the said application along with the deposit of Rs.1,71,306/- in cash, the application of the petitioner may be processed for closure of the account under 'One Time Settlement'. If no application has been filed enclosing deposit of Rs.1,71,306/- within the stipulated time, it is open for the respondent to

proceed against the properties of the petitioner for sale of the same in accordance with law. No order as to costs.

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V.ESWARAIAH,J

20th February, 2007.
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